

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MAR 31 1967

MEMORANDUM FOR HONORABLE A. B. TROWBRIDGE
ACTING SECRETARY OF COMMERCE

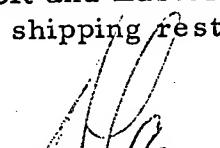
Subject: Policy re Wheat and Grain Shipments to European
Communist Countries

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U.S. DEPARTMENT OF COMMERCE
OFFICE OF THE SECRETARY
EXECUTIVE SECRETARIAT

This will acknowledge and thank you for your memorandum of March 10 regarding the above subject.

I have reviewed the interagency draft paper concerning our shipping policy on the sale of wheat and feed grains to the USSR and Eastern Europe. From a long-range maritime policy standpoint I am in favor of eliminating the 50/50 U.S. -flag shipping requirement and the part cargo rule applying to these cargoes so that shippers may have maximum flexibility for trade with USSR and Eastern European countries.

As you know, at this time I am deeply engaged in developing a new maritime policy. Also, I am certain you realize the sensitivity concerning cargo preference and trade with Communist countries insofar as the maritime industry is concerned. I believe that any attempt to remove these shipping restrictions prior to the time that some agreement has been reached on a maritime program and the Maritime Administration is transferred into DOT would be extremely unwise. Removing the restrictions would not be easy and such an effort could well scuttle everything that has been accomplished to date toward getting acceptance of a new maritime policy. Further, on the basis of the interagency draft paper I am not fully convinced that there is a potential significant market for U.S. wheat and feed grains in the USSR and Eastern Europe should there be a relaxation in the present U.S. shipping restrictions.


Alan S. Boyd

CONFIDENTIAL

TRAN review(s) completed.

21 APR 1967

TRANSMITTAL FORM - U.S. DEPARTMENT OF COMMERCE

FORM CD-82
(11-14-63)

DATE 4/20/67

TO : Mr. William N. Morell
FROM: Theodore L. Thau
Executive Secretary, ACEP

Please transmit the attached memorandum to the head of your department or agency and advise that Secretary Trowbridge believes further action on the Grain Study should be deferred for the time and reasons recommended by Secretary Boyd.



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